

## Message Text

UNCLASSIFIED

PAGE 01 MADRID 04666 210810Z

ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02  
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02  
SS-15 USIA-15 AID-05 COME-00 EB-07 FRB-01 TRSE-00  
XMB-04 OPIC-06 LAB-04 EPG-02 SIL-01 OMB-01 AGRE-00  
/110 W

-----023349 210838Z /10

R 210721Z JUN 77

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 697

INFO AMEMBASSY JIDDA

UNCLAS MADRID 4666

E.O. 11652: N/A

TAGS: EFIN, EGEN, SP

SUBJ: SAUDI ARABIAN AND SPANISH GOVERNMENTS JOINTLY ESTABLISH  
A SPECIALIZED BANK

1. SAUDI ARABIA AND SPAIN WILL FORM A JOINT BANK IN MADRID.  
THE DECISION TO CREATE THE BANK WAS MADE PUBLIC  
IN THE JUNE 3 COMMUNIQUE ON THE MADRID VISIT OF  
SAUDI CROWN PRINCE FAHD. IT IS NOW KNOWN THAT THE BANK  
WILL AIM AT THE INDUSTRIAL DEVELOPMENT OF "ARAB AS WELL AS  
AFRICAN AND LATIN AMERICAN" COUNTRIES THROUGH SPANISH  
EXPORTS AND SPANISH SUBSIDIARY COMPANIES IN THESE REGIONS.  
TO FUND THE BANK EACH GOVERNMENT WILL CONTRIBUTE 25 MILLION  
U.S. DOLLARS, FOR AN EVENTUAL 50 MILLION DOLLARS PAID-IN  
CAPITAL. APPARENTLY THIS CAPITAL WILL BE PROVIDED AS NEEDED.

2. THE SAUDI OWNERSHIP WILL BE IN THE NAME OF THE SAUDI  
ARABIAN MONETARY AGENCY. THE SPANISH HALF WILL BE HELD IN  
THE NAME OF INI (THE GOVERNMENT'S INDUSTRIAL HOLDING COM-  
PANY) AND OFFICIAL CREDIT AGENCIES. SPECIFIC PROJECTS  
HAVE NOT BEEN DECIDED ON, AND THE TWO GOVERNMENTS WILL  
MEET IN THE FUTURE TO DISCUSS DETAILS OF HOW THE BANK  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MADRID 04666 210810Z

WILL OPERATE. THERE IS STILL SUCH A SCARCITY OF  
INFORMATION ON THE NEW BANK THAT WE HAVE BEEN UNABLE  
EVEN TO LEARN WHAT NAME THE BANK MAY TAKE. HOWEVER,  
SPANISH SOURCES INDICATE THAT THE BANK WILL BE CON-  
STITUTED UNDER THE 1974 SPANISH BANKING LAW. THIS  
WOULD MEAN THAT THE SPANISH GOVERNMENT WILL NEED  
TO MAKE AN EXCEPTION TO THE PROVISION WHICH LIMITS

FOREIGN BANK PARTICIPATION TO 15 PERCENT AND THAT  
WHEN THE BANK IS ACTUALLY CONSTITUTED AT LEAST  
FIVE MILLION DOLLARS WILL BE PAID IN AS CAPITAL  
(MAKING A SAUDI DOWN PAYMENT OF AS LOW AS 2 1/2  
MILLION DOLLARS POSSIBLE).

3. THE NEW SAUDI/SPANISH BANK IS NOT THE FIRST  
JOINT VENTURE BANK HERE WITH ARAB PARTICIPATION.  
THE LIBYAN ARAB FOREIGN BANK AND THE KUWAIT  
FOREIGN TRADING CONTRACTING AND INVESTMENT COMPANY  
TOGETHER OWN A MAJORITY OF THE STOCK OF THE MADRID-  
BASED BANCO ARABE ESPANOL, S.A. INI, THE SPANISH  
OFFICIAL CREDIT INSTITUTE AND VARIOUS SPANISH  
PRIVATE BANKS OWN THE REMAINDER. THE BANCO ARABE  
ESPANOL WAS ESTABLISHED IN 1975 AND ITS AIM IS THE  
SAME AS THAT OF THE BANK WHICH THE SAUDIS WILL NOW  
SPONSOR, EXCEPT THAT THE LIBYA-AND-KUWAIT-SPONSORED  
BANK LIMITS ITS ACTIVITY TO SPAIN AND THE ARAB  
WORLD. STABLER

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MADRID 04666 210810Z

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANKS, ESTABLISHMENT OF OFFICES, INTERGOVERNMENTAL COOPERATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 21-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MADRID04666  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770220-1107  
**Format:** TEL  
**From:** MADRID  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770636/aaaabfdw.tel  
**Line Count:** 87  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 744f6479-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 20-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2084223  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SAUDI ARABIAN AND SPANISH GOVERNMENTS JOINTLY ESTABLISH A SPECIALIZED BANK  
**TAGS:** EFIN, EGEN, SP, SA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/744f6479-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009